

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7059

BILL NUMBER: SB 441

DATE PREPARED: Jan 14, 2001

BILL AMENDED:

SUBJECT: Cumulative Capital Improvement Funds.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill allows a county, municipality, or township to use its Cumulative Capital Improvement Fund for certain computer technology expenses.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill would have no effect on state expenditures for Property Tax Replacement Credits (PTRC) or Homestead Credits.

Explanation of State Revenues:

Explanation of Local Expenditures: Under current law, a county, city, or town may impose a Cumulative Capital Improvement (CCI) Fund that may be used to:

- Acquire land or rights-of-way to be used for public ways, sidewalks, sanitary storm sewers;
- Construct and maintain public ways, sidewalks, sanitary storm sewers;
- Acquire a utility or land for the utility;
- Acquire land for parks or recreation;
- Acquire police and fire vehicles;
- Retire bonds issued to acquire or improve properties that would qualify for use of the fund;
- Acquire equipment and nonconsumable property needed for public transportation; or
- Acquire public way lighting in Marion County.

In addition to the above current uses of the CCI Fund, this bill would allow a unit to use money in the fund to acquire, upgrade, maintain, or repair computer hardware and software, wiring and networks, and communication access systems. The bill also allows the fund to be used to pay computer maintenance employees and to conduct nonrecurring inservice technology training of unit employees.

The maximum tax rate under current law that the unit may impose for the CCI Fund is \$1.00 per \$100 of assessed valuation. The levy for the fund is subject to the unit's maximum permissible levy. This bill does not change the unit's levy authority. It only expands the possible use of the fund. If, as a result of this bill, a city, town, or county uses money in the CCI Fund for one of the new uses, then the unit might have to curtail spending for other current uses of the fund. Or, if the unit does not currently impose a CCI Fund levy, then the unit might have to reduce another levy subject to the maximum permissible levy. If the unit has unused levy authority, then it would be able to establish the CCI Fund without reducing another levy, thereby increasing its overall levy (as it may do under current law).

Additional Information: In CY 2000, 15 cities and towns imposed a CCI levy for a total of \$1.8 M.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Counties, cities, and towns.

Information Sources: Local Government Database.